

RESULTS FOR THE TWELVE MONTHS OF 2010

TEO LT, AB GROUP

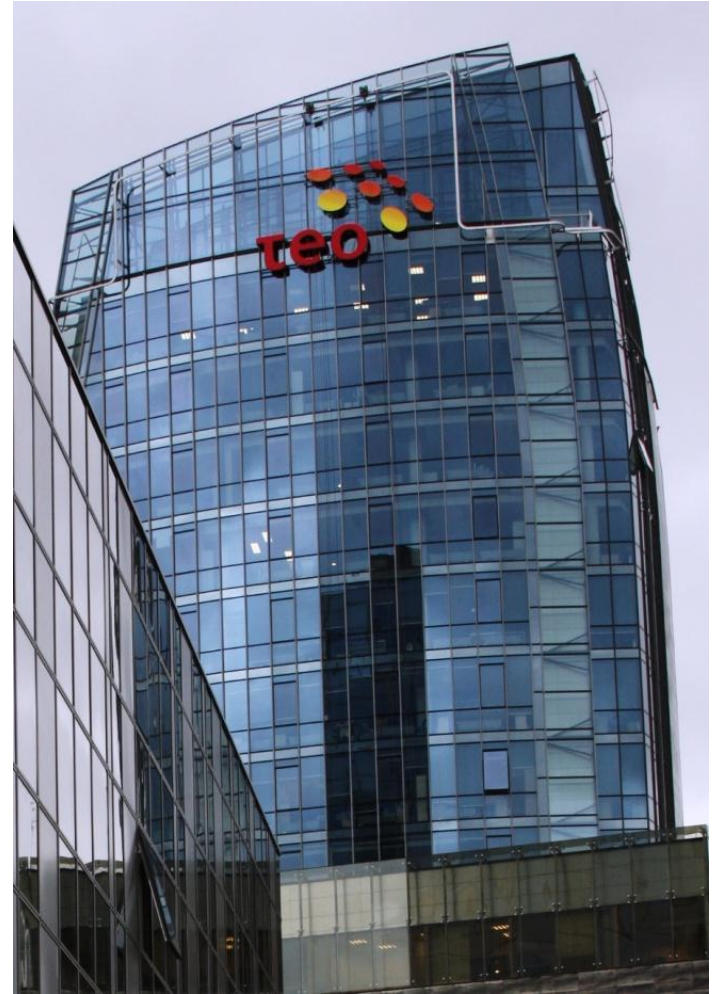
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HIGHLIGHTS OF Q4 2010

- Number of FTTH and FTTB connections exceeded 100 thousand
- Number of households passed by FTTH network reached 556 thousand
- Capital investment during Q4 alone amounted to LTL 100 million
- TEO and Omnitel presented a joint offer of fixed broadband and mobile Internet
- New Internet plans of higher speed offered to business customers
- Started re-broadcasting of 3 HDTV channels over DVB-T network in Kaunas region
- Lintel opened 2 new Call Centers and employed more than 400 specialists
- TEO head-office moved to new premises



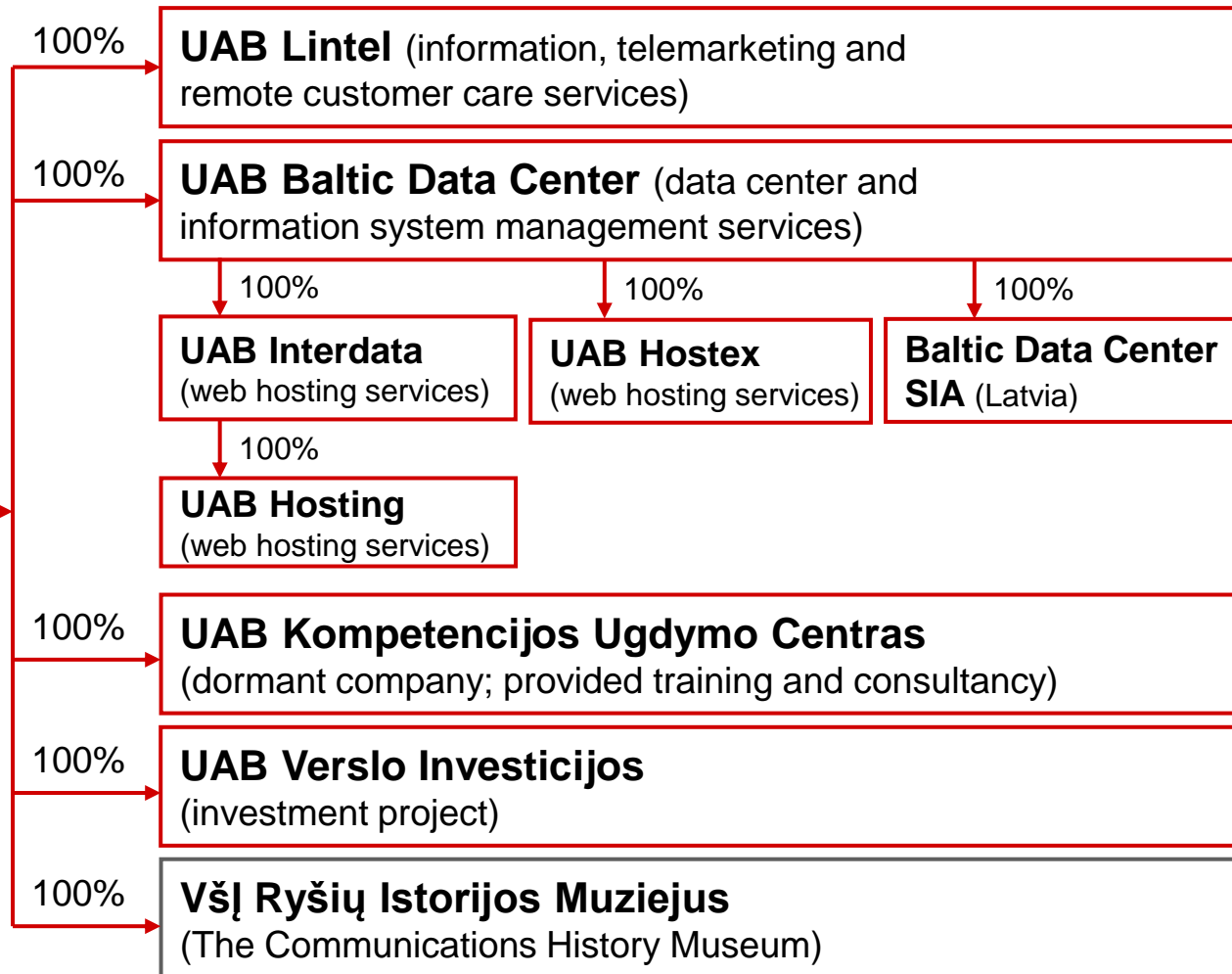
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TEO GROUP

TEO LT, AB
(voice, internet, data communication, television and network services; Internet portal *Zebra*)



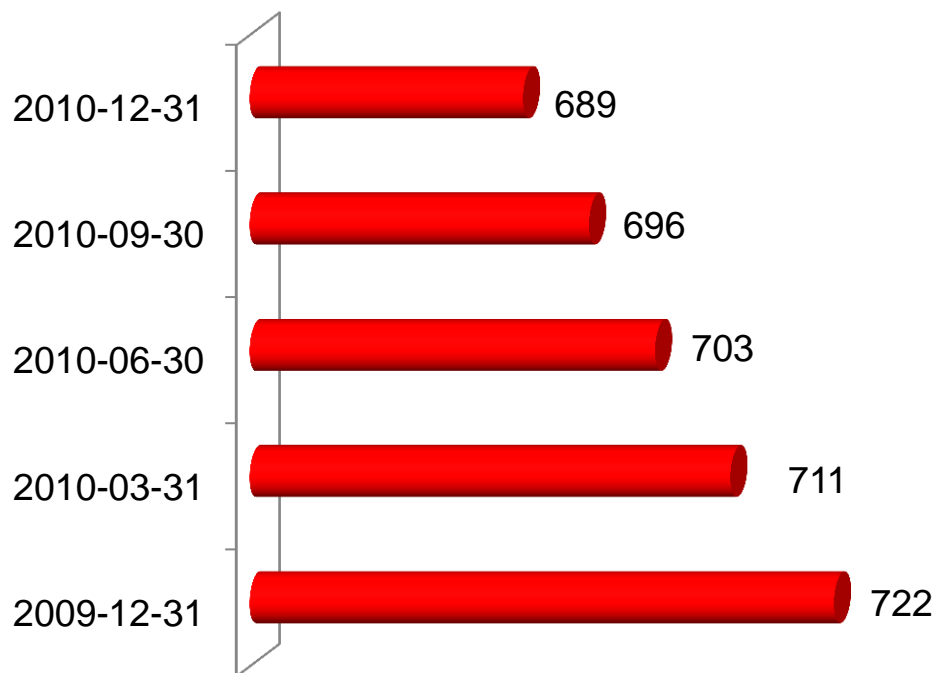
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VOICE TELEPHONY SERVICES

Number of telephone lines (thou.)



- During 2010, the total number of main telephone lines in service decreased by 32.9 thousand
- Traffic volume generated by residential customers decreased by 1.5%, while traffic volume of business customers down by 14.8%
- In 2010, TEO offered lower prices for calls to mobile and other fixed networks of Lithuania for residential and business customers using flat-fee payment plans, and from June – free calls to mobile network of Omnitel

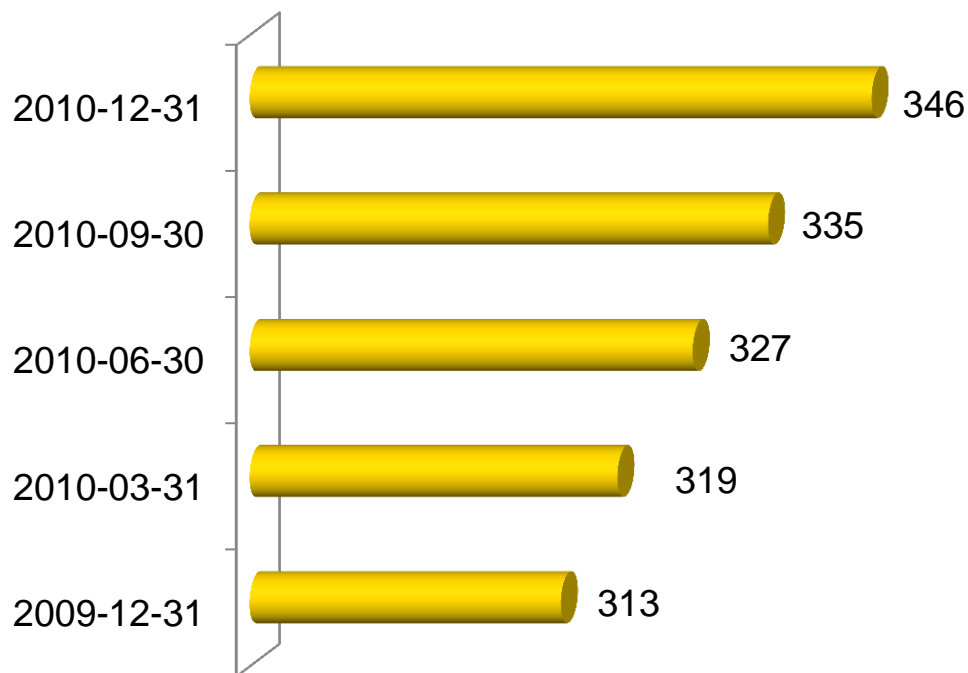
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INTERNET SERVICES

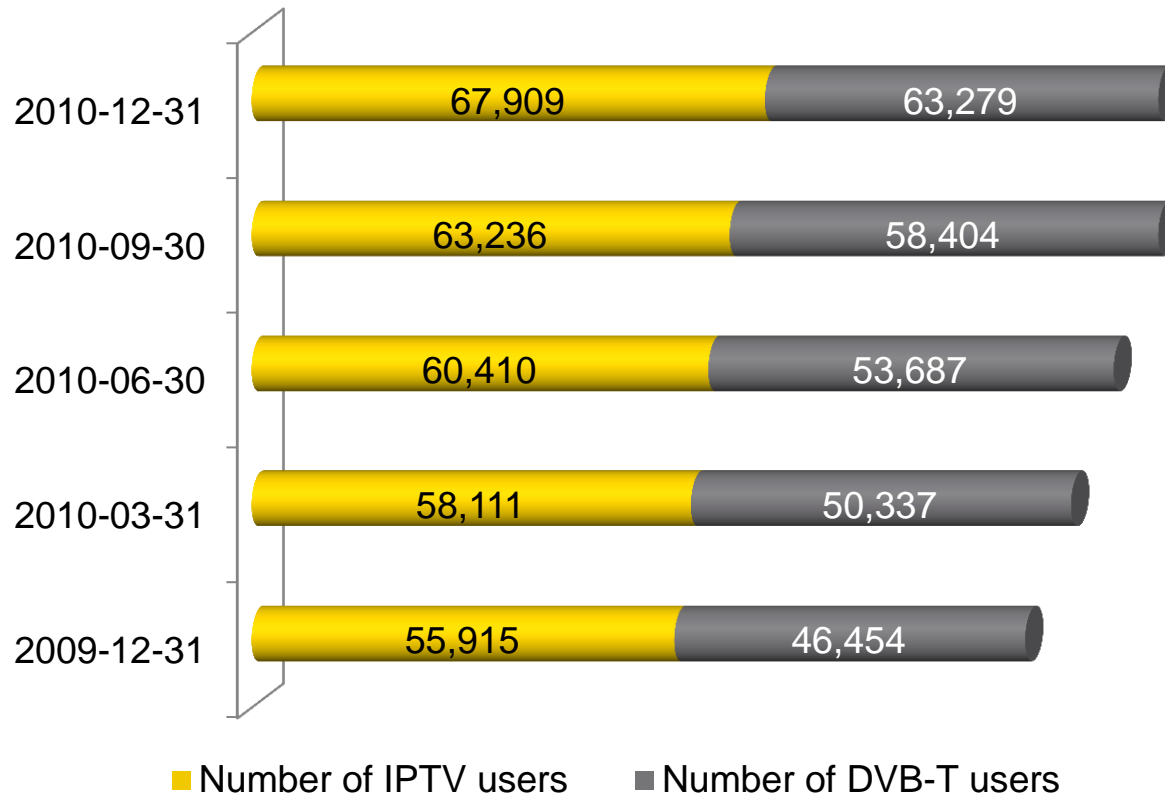
Number of broadband connections (thou.)



- During 2010, the total number of broadband connections increased by 32.4 thousand
- 104 thousand of fiber optical (FTTB, FTTH) connections
- 29 thousand WiFi connection users
- 3,785 WiFi hot-spots network – the largest in the country
- 61% of Lithuania's direct international Internet traffic goes through TEO connections

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TELEVISION SERVICES



- During 2010 the total number of television service users increased by 28.8 thousand and exceeded 131 thousand
- On 29 October 2012 Lithuania shall switch from analogue to digital TV broadcasting

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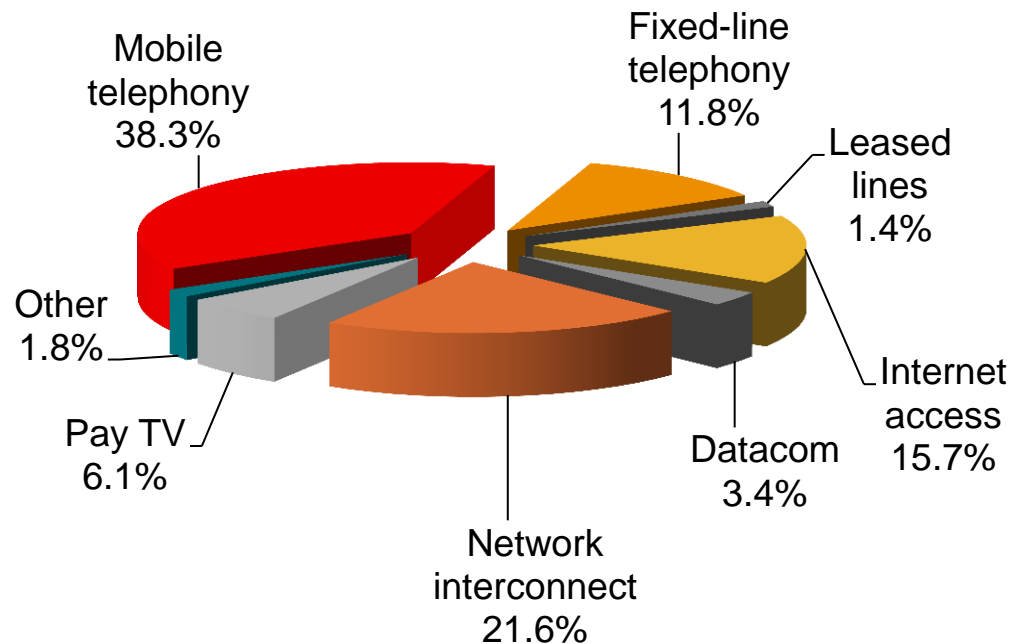
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TELECOMMUNICATION MARKET IN LITHUANIA (9m 2010)

- Total revenue: LTL 1,941 million
(9m 2009: LTL 2,182 million)
- Change: (11.1)%
- Penetration per 100 residents:
 - fixed voice: 22.7
 - mobile voice: 150.1
 - Internet: 26.2
 - fixed broadband: 20.4
 - pay TV: 18.8
- Capital investments: LTL 189 million
(9m 2009: LTL 237 million)

Revenue breakdown by segments



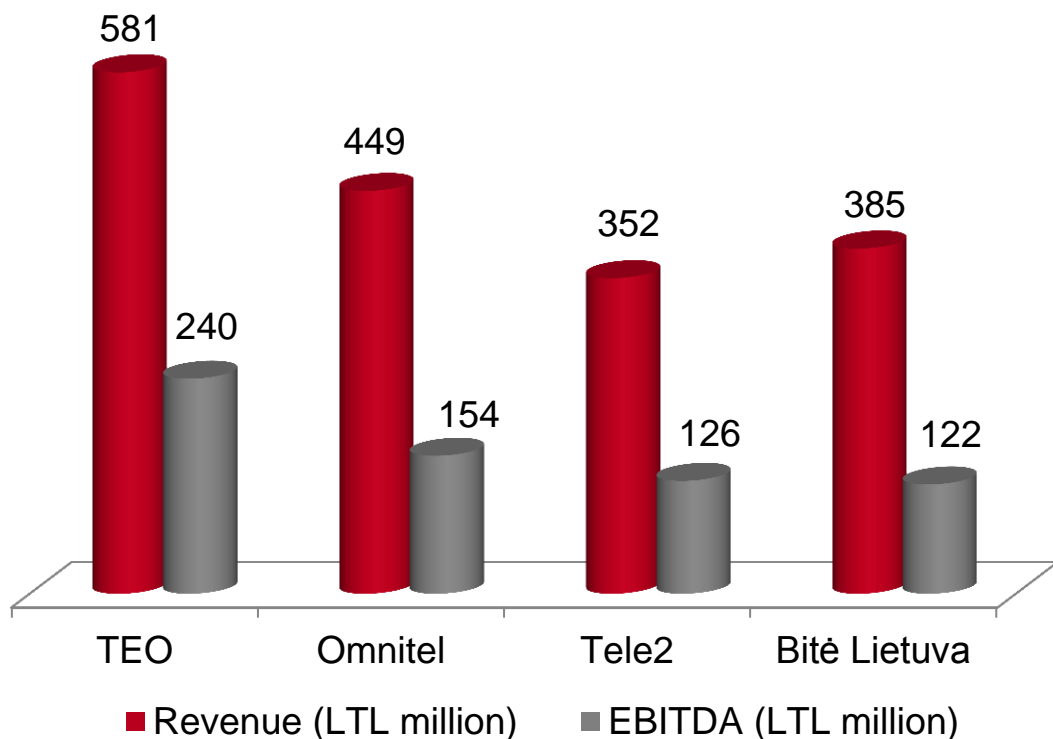
Source: Report of Communications Regulatory Authority

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MAJOR PLAYERS ON LITHUANIAN TELECOMMUNICATIONS MARKET (9m 2010)



- TEO is the largest operator in Lithuania in terms of revenue
- Omnitel, Tele2 and Bitė Lietuva are mobile operators
- Change in revenue from 9m 2009:
 - TEO (5.9)%
 - Omnitel (19.5)%
 - Tele2 (14.0)%
 - Bitė Lietuva (12.9)%
- Omnitel and TEO belongs to TeliaSonera Group

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TEO COMPETES IN ALL AREAS EXCEPT MOBILE VOICE

Market	Market revenue for 9m 2010 (LTL million)	Change from 9m 2009 (%)	Number of players	TEO share in Q3 2010 (%)
Fixed voice	229	(15.3)	50	93.9
Leased lines	27	(21.1)	13	63.1
Internet access	304	(2.3)	110	39.1
Data communication	65	(1.9)	14	63.4
Network interconnection	420	(16.9)	>5	23.3
Pay-TV	118	32.4	49	n/a
TV and radio program transmission	19	(15.0)	2	n/a
Mobile voice	742	(14.3)	3+4	-

Source: Report of Communications Regulatory Authority

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FIXED VOICE TELEPHONY MARKET IN LITHUANIA (9m 2010)

- 50 companies are providing fixed voice services:
 - 40 provide national and international calls
 - 4 – only international calls
 - 6 – only wholesales (transit) services
- 35 companies are using IP network, 16 of them CATV and data communication networks
- Number of alternative operators' subscribers: 64.8 thousand or 8.5% of total subscribers' number
- TEO market share (Q3 2010) in terms of:
 - total number of customers: 91.5%
 - total traffic: 95.3%
 - revenue from local calls: 99.0%
 - revenue from domestic long distance calls: 81.6%
 - revenue from international calls: 75.6%

Source: Report of Communications Regulatory Authority



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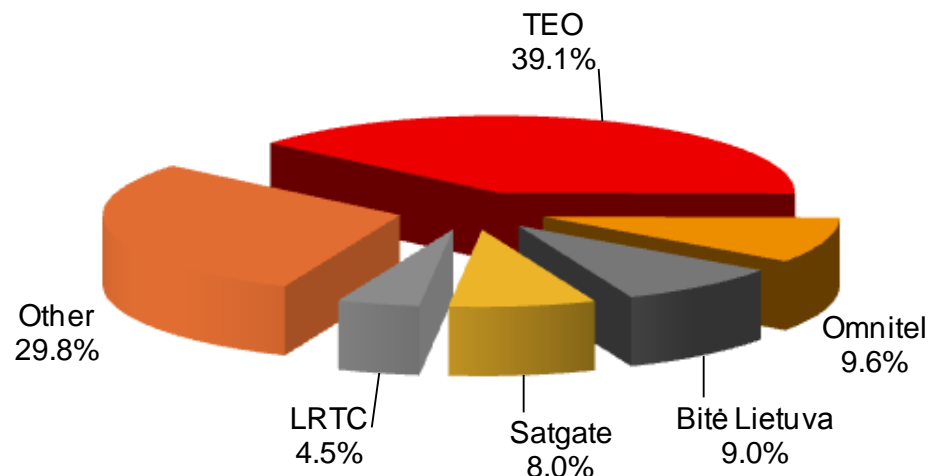


INTERNET ACCESS MARKET IN LITHUANIA (9m 2010)

Access type	Number of users ('000)	Change from 9m 2009 (%)
Fiber optics	293	25.6
DSL	215	(7.5)
Via mobile network	187	20.9
Wireless	83	25.4
Via CATV networks	49	(8.9)
Via LAN	26	(24.6)
Dial-up	1	(46.7)
Via leased-lines	1	(12.3)
Total:	855	9.9

Source: Report of Communications Regulatory Authority

Q3 2010 revenue by service providers



- TEO has 51.3% of the broadband Internet using fixed connection market in terms of revenue

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PAY TV MARKET IN LITHUANIA (9m 2010)

Access type	Number of operators	Number of users ('000)	Change to 9m 2009 (%)	Revenue 9m 2010 (mLTL)	Change to 9m 2009 (%)
Analogue CATV	49	362	(2.6)	54	(1.9)
Digital:					
Digital CATV	19	38	70.2	5	54.8
Digital MVDS	3	20	(6.2)	5	(13.7)
IP TV	8	66	25.3	14	28.0
DVB-T	2	59	44.4	12	n/a
Digital satellite	1	77	6.5	28	n/a
Total digital:	27	260	24.2	64	87.3
Total:		622	20.6	118	32.4

- TEO has 46.8% of all digital TV users and 19.5% of all pay TV users.

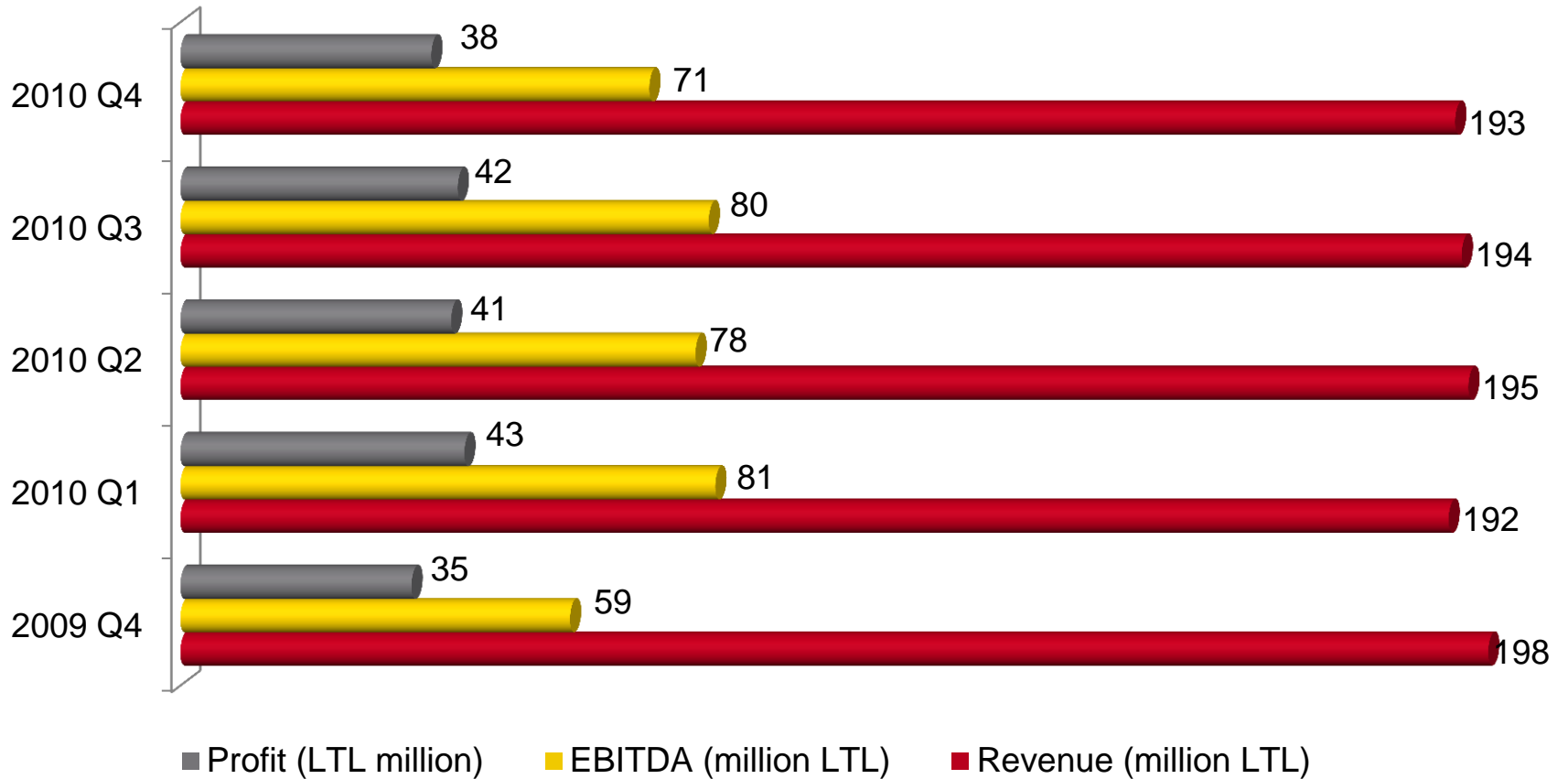
Source: Report of Communications Regulatory Authority

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REVENUE, EBITDA & NET PROFIT



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MAJOR FINANCIAL INDICATORS

(thousand LTL)	Q4 2010	Q4 2009	Change (%)	12 months of 2010	12 months of 2009	Change (%)
Revenue	192,542	197,921	(2.7)	773,423	815,551	(5.2)
Operating expenses	122,363	139,957	(12.6)	464,968	486,701	(4.5)
EBITDA	70,862	58,758	20.6	310,477	338,087	(8.2)
EBITDA margin	36.8%	29.7%		40.1%	41.5%	
Depreciation and amortization	33,324	34,587	(3.7)	131,702	142,040	(7.3)
Operating profit	37,538	24,171	55.3	178,775	196,047	(8.8)
Operating profit margin	19.5%	12.2%		23.1%	24.0%	
Net profit	37,780	34,830	8.5	162,935	169,072	(3.6)
Profit margin	19.6%	17.6%		21.2%	20.7%	
Earnings per share (LTL)	0.049	0.045	8.5	0.210	0.218	(3.6)

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REVENUE

(thousand LTL)	Q4 2010	Q4 2009	Change (%)	12 months of 2010	12 months of 2009	Change (%)
Voice telephony services	99,308	109,130	(9.0)	415,561	461,180	(9.9)
Internet & data communications services	63,344	66,517	(4.8)	256,844	275,339	(6.7)
TV services	10,474	7,937	32.0	37,738	27,598	36.7
IT services	11,467	7,621	50.5	36,067	24,866	45.0
Other services	7,948	6,716	18.4	27,213	26,568	2.4
Total:	192,541	197,921	(2.7)	773,423	815,551	(5.2)

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OPERATING EXPENSES

(thousand LTL)	Q4 2010	Q4 2009	Change (%)	12 months of 2010	12 months of 2009	Change (%)
Employee related	42,691	53,134	(19.7)	157,647	178,029	(11.4)
Interconnection	28,466	27,358	4.1	118,073	114,663	3.0
Other	51,206	59,465	(13.9)	189,248	194,009	(2.5)
Total:	122,363	139,957	(12.6)	464,968	486,701	(0.1)

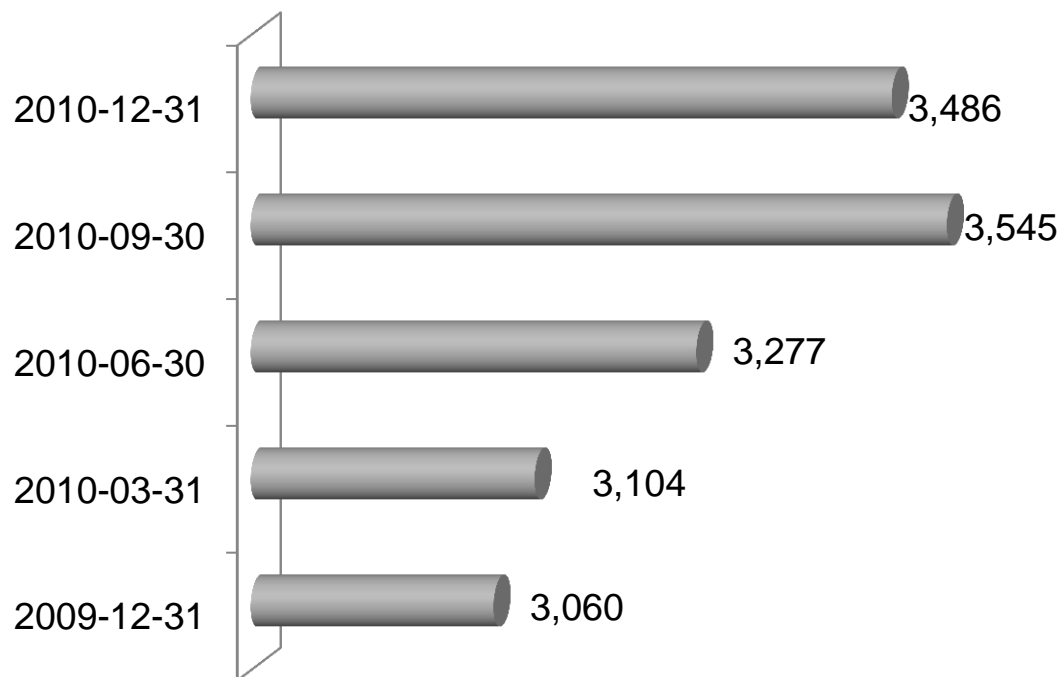
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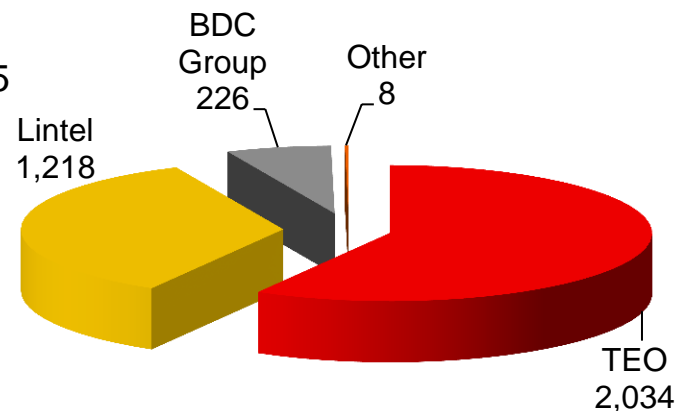


EMPLOYEES

Number of TEO Group employees



Breakdown of TEO Group employees (31-12-2010)



- Call Center of Lintel is expanding its activities and employs new consultants

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BALANCE SHEET

(thousand LTL)	2010-12-31	2009-12-31	Change (%)
Total assets	1,178,567	1,150,717	2.4
Cash, held-to-maturity investments, loans to banks	259,710	307,242	(15.5)
Equity	1,026,438	1,026,634	(0.02)
Borrowings	5,422	6,163	(12.0)
Net debt	(254,288)	(301,079)	
Gearing ratio	(24.8)%	(29.3)%	
ROAA	16.1%	17.6%	
ROE	16.4%	16.9%	

- In September 2010, following the AGM decision, 38.1 million treasury stocks were cancelled and authorised share capital was reduced by LTL 38.1 million to LTL 776.8 million
- Following the Laws dividends should be paid from the Parent company's retained earnings
- TEO LT, AB retained earnings as of 31-12-2010 amounted to LTL 144 million

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CASH FLOW

(thousand LTL)	12 months of 2010	12 months of 2009
Net cash from operating activities	287,962	293,673
Net cash used in investing activities	(86,005)	(82,062)
Net cash used in financing activities	(164,374)	(179,566)
Increase in cash and cash equivalents	37,583	32,045

- Capital investments during 2010 amounted to LTL 191 million (LTL 100 million during Q4 2010 alone)
- LTL 158 million were invested into development of core and fiber-optic access networks, LTL 19 million into IT systems, LTL 5 million into renovation of premises
- In May, LTL 163 million (i.e. 0.21 litas per share) of dividends for year 2009 were paid

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SHAREHOLDERS OF TEO

	2010-12-31		2009-12-31	
	Part of share capital	Part of votes	Part of share capital	Part of votes
Amber Teleholding A/S (Denmark)	62.94%	62.94%	60.00%	62.94%
TeliaSonera AB (publ) (Sweden)	5.14%	5.14%	4.90%	5.14%
East Capital (Sweden)	6.80%	6.80%	4.89%	5.12%
Treasury stocks	--	--	4.67%	--
State of Lithuania	0.44%	0.44%	0.51%	0.54%
Other shareholders	24.68%	24.68%	25.03%	26.26%

- In September 2010, treasury stocks were cancelled and total share capital was reduced
- Part of share capital of all shareholders increased and became the same as part of votes
- Amber Teleholding is a subsidiary of TeliaSonera AB, in total TeliaSonera Group holds 68.08% of share capital and votes
- TEO Global Depository Receipts (GDR) program was terminated on 1 July 2010 and GDRs were delisted from the London Stock Exchange. One GDR represented 10 ordinary shares

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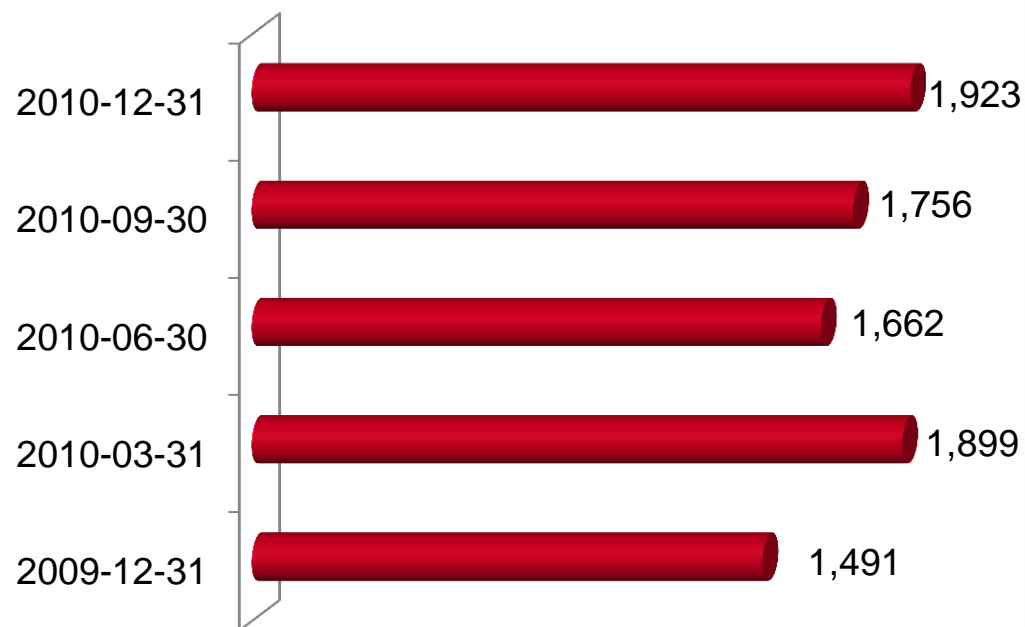
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TEO SHARES

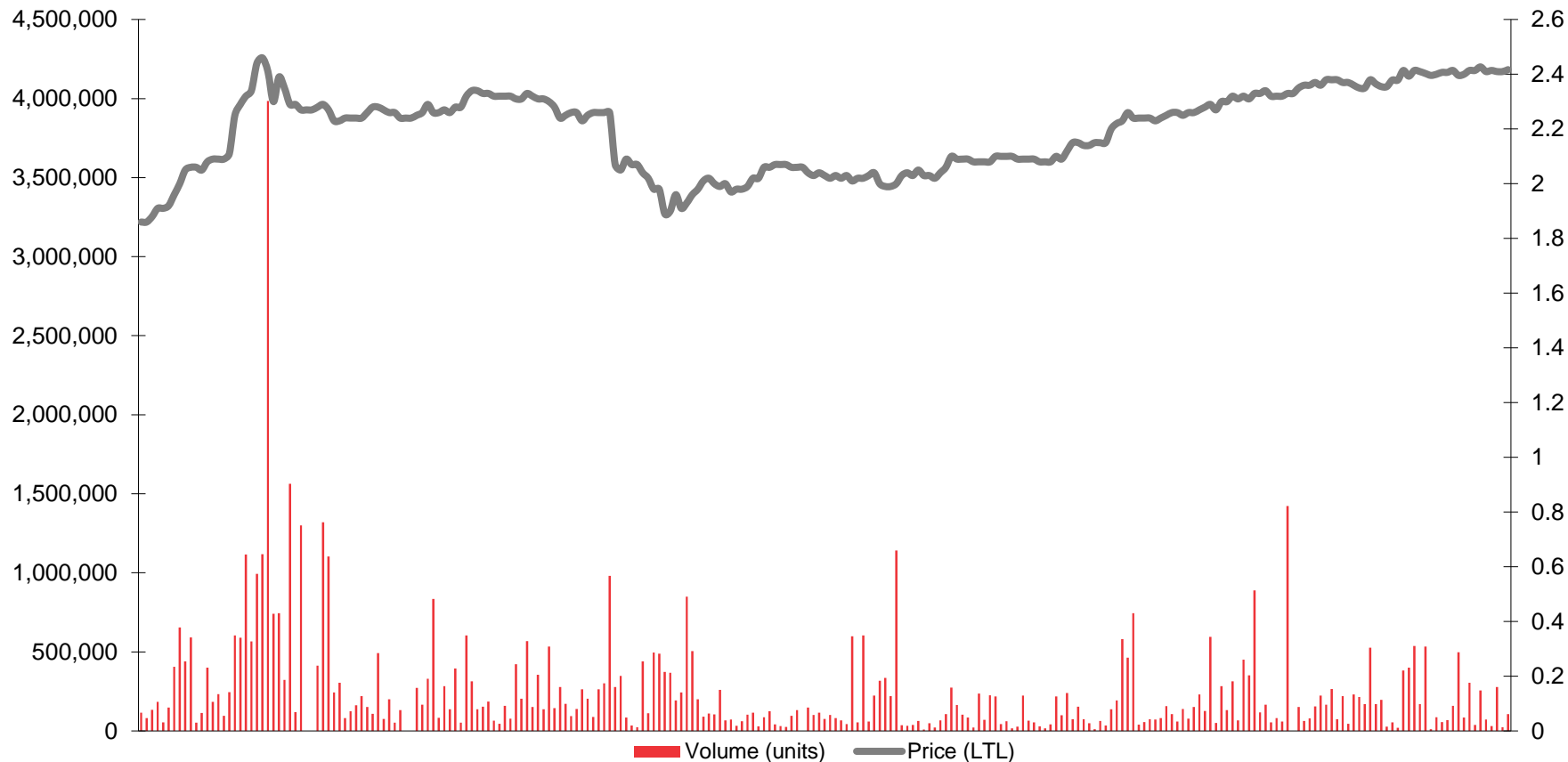
- Shares are listed on NASDAQ OMX Vilnius stock exchange (ticker: TEO1L)
- Global Depository Receipts until 30 June 2010 were traded on the London Stock Exchange (ticker: TEOL).
- Share price on NASDAQ OMX Vilnius:
 - start of 2010: LTL 1.860
 - low: LTL 1.840
 - high: LTL 2.483
 - end of 2010: LTL 2.476
- Turnover on NASDAQ OMX Vilnius stock exchange in 2010: 62.9 million shares or LTL 140.3 million

Market Capitalisation (LTL million)



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TRADING IN TEO SHARES ON NASDAQ OMX VILNIUS STOCK EXCHANGE IN 2010



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TEO SHARE AND NASDAQ OMX VILNIUS STOCK EXCHANGE INDEXES COMPARISON



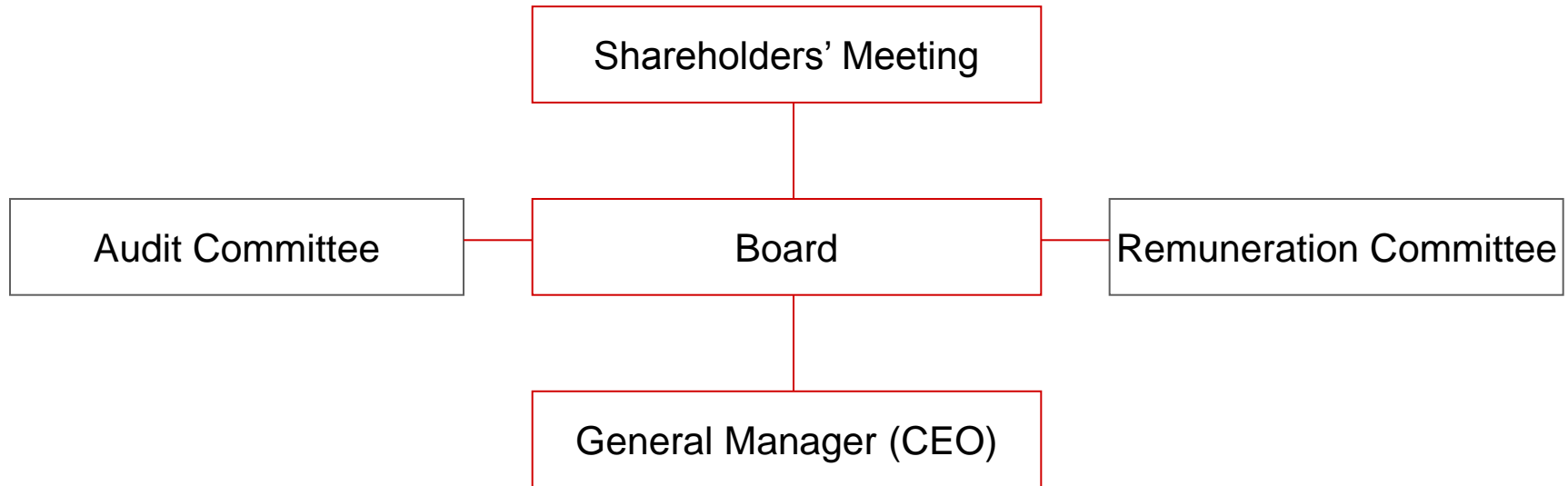
Source: NASDAQ OMX Vilnius

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TEO CORPORATE GOVERNANCE



- The Annual General Meeting of Shareholders was held on 26 April 2010
- The AGM elected UAB PricewaterhouseCoopers as the Company's auditor for 2 years
- Malin Frenning, a Vice President of Business Area Broadband Services of TeliaSonera AB, was elected to the Board for the current term of the Board as Anders Gylder resigned from the Board as of 26 April 2010

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TEO BOARD



Håkan Dahlström,
Representative of
TeliaSonera AB



Malin Frenning,
Representative of
TeliaSonera AB



Ove Alm,
Representative of
TeliaSonera AB



Joakim Sundström,
Representative of
TeliaSonera AB



Tiia Tuovinen,
Representative of
TeliaSonera AB



Lars Ohnemus,
Independent member
of the Board



Martynas Česnavičius,
Independent member
of the Board

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TEO MANAGEMENT



Arūnas Šikšta
(born in 1968),
General
Manager
(CEO)



**Darius
Gudačiauskas**
(born in 1975),
Chief Sales
Officer and
Deputy General
Manager



**Nerijus
Ivanauskas**
(born in 1970),
Chief Marketing
Officer and
Deputy General
Manager



**Darius
Didžgalvis**
(born in 1969)
Chief Technology
Officer and
Deputy General
Manager



Giedrius Vegys
(born in 1959)
Chief Financial
Officer

- Top managers of the Company do not own any shares of the Company

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THANK YOU FOR YOUR
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